

## SENATE BILL NO. 390

INTRODUCED BY J. COBB

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE SCHOOL FINANCE LAWS; ESTABLISHING A SCHOOL FLEXIBILITY PROGRAM FOR K-12 PUBLIC SCHOOLS; REQUIRING VOTER APPROVAL FOR A LEVY TO INCREASE A DISTRICT'S FUNDS TO SUPPORT THE FLEXIBILITY PROGRAM; CLARIFYING THE REQUIREMENT THAT A SCHOOL DISTRICT OPERATE FOR BOTH THE MINIMUM NUMBER OF PUPIL INSTRUCTION DAYS AND THE MINIMUM NUMBER OF HOURS; CLARIFYING THE DUTY OF THE COUNTY SUPERINTENDENT REGARDING THE APPORTIONMENT OF COUNTY EQUALIZATION MONEY; PROHIBITING A CHANGE IN SCHOOL DISTRICT BOUNDARIES UNTIL A DISTRICT'S MILL LEVIES HAVE BEEN SET; CLARIFYING THAT THE OPENING OR REOPENING OF AN ELEMENTARY SCHOOL IS EFFECTIVE AT THE START OF THE FOLLOWING SCHOOL YEAR; CLARIFYING THE TRANSMITTAL OF FEES INTO THE TRAFFIC EDUCATION ACCOUNT; ELIMINATING REFERENCES TO CONSOLIDATION BONUS PAYMENTS; ~~ALLOWING TRUSTEES SOME FLEXIBILITY IN HOLDING THEIR FINAL BUDGET MEETING;~~ REQUIRING PAYMENT FROM A DISTRICT'S TUITION FUND FOR THE EDUCATION OF STUDENTS IN A YOUTH DETENTION FACILITY; ~~REQUIRING THE ADOPTION OF THE FINAL BUDGET 5 DAYS AFTER THE SECOND MONDAY IN AUGUST;~~ CLARIFYING THE DUTY OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION REGARDING A BUDGET AMENDMENT FOR AN ENROLLMENT INCREASE; EXEMPTING AN EMERGENCY BUDGET AMENDMENT TAX LEVY FROM CERTAIN TAX RESTRICTIONS; AUTHORIZING A SCHOOL DISTRICT WHOSE CURRENT YEAR GENERAL FUND BUDGET EXCEEDS THE ENSUING YEAR'S MAXIMUM GENERAL FUND BUDGET TO ADOPT A GENERAL FUND BUDGET FOR THE ENSUING YEAR UP TO THE CURRENT YEAR'S GENERAL FUND BUDGET FOR A MAXIMUM OF 5 YEARS; REQUIRING THE TRUSTEES TO GRADUALLY REDUCE THE GENERAL FUND BUDGET BY THE END OF THE 5-YEAR PERIOD; CHANGING THE DEADLINE FOR AN APPLICATION FOR AN UNUSUAL ENROLLMENT INCREASE; REVISING THE DEFINITION OF "STATE EQUALIZATION AID"; REQUIRING VOTER APPROVAL FOR A LEVY TO FUND TRANSITION COSTS WHEN A SCHOOL DISTRICT OPENS OR CLOSES A SCHOOL OR REPLACES A SCHOOL BUILDING OR WHEN A SCHOOL DISTRICT CONSOLIDATES WITH OR ANNEXES ANOTHER SCHOOL DISTRICT; CLARIFYING THE MINIMUM STANDARDS FOR SCHOOL BUSES; CHANGING THE TYPE OF FUND USED FOR THE ADMINISTRATION OF THE FEDERAL SCHOOL FOOD

SERVICES PROGRAM; ~~AUTHORIZING A DISTRICT TO ADOPT A MAXIMUM GENERAL FUND BUDGET PER ANB BASED ON THE STATEWIDE WEIGHTED AVERAGE;~~ AMENDING SECTIONS 20-1-301, 20-3-205, 20-6-202, 20-6-314, 20-6-502, 20-7-504, 20-9-104, ~~20-9-115,~~ 20-9-130, ~~20-9-131,~~ 20-9-163, 20-9-168, ~~20-9-308,~~ 20-9-314, 20-9-343, ~~20-9-502,~~ 20-10-111, AND 20-10-201, MCA; AND PROVIDING ~~AN~~ EFFECTIVE ~~DATE~~ DATES AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. SECTION 1. DEFINITIONS. AS USED IN [SECTION 2] AND THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

(1) "AVERAGE STUDENT AMOUNT" MEANS THE AMOUNT CALCULATED BY:

(A) MULTIPLYING THE MONEY AVAILABLE IN THE SCHOOL FLEXIBILITY ACCOUNT, PROVIDED FOR IN [SECTION 2],

BY 40%; AND

(B) DIVIDING THE AMOUNT CALCULATED IN SUBSECTION (1)(A) BY THE TOTAL STATEWIDE ANB IN THE PREVIOUS FISCAL YEAR WHEN AVERAGED WITH THE TOTAL STATEWIDE ANB FOR THE PREVIOUS 4 FISCAL YEARS.

(2) "CURRENT STUDENT AMOUNT" MEANS THE AMOUNT CALCULATED BY:

(A) MULTIPLYING THE MONEY AVAILABLE IN THE SCHOOL FLEXIBILITY ACCOUNT, PROVIDED FOR IN [SECTION 2],

BY 20%; AND

(B) DIVIDING THE AMOUNT CALCULATED IN SUBSECTION (2)(A) BY THE TOTAL STATEWIDE ANB IN THE PREVIOUS FISCAL YEAR.

(3) "DISTRICT K-12 PUBLIC SCHOOL FUNDING AMOUNT" MEANS THE K-12 PUBLIC SCHOOLS AMOUNT MULTIPLIED BY THE NUMBER OF K-12 PUBLIC SCHOOLS IN THE SCHOOL DISTRICT IN THE FISCAL YEAR IN WHICH THE FUNDING IS DISTRIBUTED.

(4) "DISTRICT LARGE K-12 PUBLIC SCHOOL FUNDING AMOUNT" MEANS THE LARGE K-12 PUBLIC SCHOOLS AMOUNT MULTIPLIED BY THE NUMBER OF K-12 PUBLIC SCHOOLS WITH AN ENROLLMENT OF AT LEAST 250 STUDENTS IN THE SCHOOL DISTRICT IN THE FISCAL YEAR IN WHICH THE FUNDING IS DISTRIBUTED.

(5) "DISTRICT STUDENT FUNDING AMOUNT" MEANS THE CURRENT STUDENT AMOUNT MULTIPLIED BY A DISTRICT'S ANB FOR THE PREVIOUS FISCAL YEAR PLUS THE AVERAGE STUDENT AMOUNT MULTIPLIED BY A DISTRICT'S ANB FOR THE PREVIOUS FISCAL YEAR WHEN AVERAGED WITH THE DISTRICT'S ANB FOR THE 4 PREVIOUS FISCAL YEARS.

(6) "K-12 PUBLIC SCHOOLS AMOUNT" MEANS THE AMOUNT CALCULATED BY:

1 (A) MULTIPLYING THE MONEY AVAILABLE IN THE SCHOOL FLEXIBILITY ACCOUNT, PROVIDED FOR IN [SECTION 2],  
2 BY 15%; AND

3 (B) DIVIDING THE AMOUNT CALCULATED IN SUBSECTION (6)(A) BY THE NUMBER OF K-12 PUBLIC SCHOOLS THAT  
4 ANTICIPATE HAVING STUDENTS IN THE FISCAL YEAR IN WHICH THE FUNDING IS DISTRIBUTED.

5 (7) "LARGE K-12 PUBLIC SCHOOLS AMOUNT" MEANS THE AMOUNT CALCULATED BY:

6 (A) MULTIPLYING THE MONEY AVAILABLE IN THE SCHOOL FLEXIBILITY ACCOUNT, PROVIDED FOR IN [SECTION 2],  
7 BY 25%; AND

8 (B) DIVIDING THE AMOUNT CALCULATED IN SUBSECTION (7)(A) BY THE NUMBER OF K-12 PUBLIC SCHOOLS WITH  
9 AN ENROLLMENT OF AT LEAST 250 STUDENTS THAT ANTICIPATE HAVING STUDENTS IN THE FISCAL YEAR IN WHICH THE  
10 FUNDING IS DISTRIBUTED.

11  
12 NEW SECTION. SECTION 2. SCHOOL FLEXIBILITY ACCOUNT -- DISTRIBUTION OF FUNDS. (1) THERE IS A  
13 SCHOOL FLEXIBILITY ACCOUNT IN THE STATE SPECIAL REVENUE FUND. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL  
14 ALLOCATE THE MONEY IN THE ACCOUNT, INCLUDING ANY INTEREST EARNED ON MONEY ALLOCATED TO THE ACCOUNT, TO  
15 EACH SCHOOL DISTRICT. EACH SCHOOL DISTRICT'S TOTAL ALLOCATION IS THE SUM OF THE DISTRICT K-12 PUBLIC SCHOOL  
16 FUNDING AMOUNT, THE DISTRICT LARGE K-12 PUBLIC SCHOOL FUNDING AMOUNT, AND THE DISTRICT STUDENT FUNDING  
17 AMOUNT.

18 (2) IN ADDITION TO FUNDS ALLOCATED OR APPROPRIATED TO THE SCHOOL FLEXIBILITY ACCOUNT, ALL MONEY  
19 SAVED BY THE STATE IF THE ACTUAL STATEWIDE ANB IN A GIVEN FISCAL YEAR IS LESS THAN THE STATEWIDE ANB  
20 PROJECTED BY THE LEGISLATURE DURING THE PRECEDING LEGISLATIVE SESSION MUST BE DEPOSITED IN THE SCHOOL  
21 FLEXIBILITY ACCOUNT.

22  
23 NEW SECTION. SECTION 3. SCHOOL FLEXIBILITY FUND -- USES. (1) (A) THE TRUSTEES OF A DISTRICT SHALL  
24 ESTABLISH A SCHOOL FLEXIBILITY FUND AND MAY USE THE FUND, IN THEIR DISCRETION, FOR SCHOOL DISTRICT  
25 EXPENDITURES INCURRED FOR:

26 (i) TECHNOLOGICAL EQUIPMENT ENHANCEMENTS AND EXPANSIONS CONSIDERED BY THE TRUSTEES TO SUPPORT  
27 ENHANCED EDUCATIONAL PROGRAMS IN THE CLASSROOM;

28 (ii) FACILITY EXPANSION AND REMODELING CONSIDERED BY THE TRUSTEES TO SUPPORT THE DELIVERY OF  
29 EDUCATIONAL PROGRAMS OR THE REMOVAL AND REPLACEMENT OF OBSOLETE FACILITIES;

30 (iii) SUPPLIES AND MATERIALS CONSIDERED BY THE TRUSTEES TO SUPPORT THE DELIVERY OF ENHANCED

1 EDUCATIONAL PROGRAMS;

2 (IV) STUDENT ASSESSMENT AND EVALUATION;

3 (V) THE DEVELOPMENT OF CURRICULUM MATERIALS;

4 (VI) TRAINING FOR CLASSROOM STAFF CONSIDERED BY THE TRUSTEES TO SUPPORT THE DELIVERY OF ENHANCED

5 EDUCATIONAL PROGRAMS;

6 (VII) PURCHASE, LEASE, OR RENTAL OF REAL PROPERTY THAT MUST BE USED TO PROVIDE FREE OR REDUCED PRICE

7 HOUSING FOR CLASSROOM TEACHERS;

8 (VIII) SALARIES, BENEFITS, BONUSES, AND OTHER INCENTIVES FOR THE RECRUITMENT AND RETENTION OF  
9 CLASSROOM TEACHERS AND OTHER CERTIFIED STAFF, SUBJECT TO COLLECTIVE BARGAINING WHEN APPLICABLE; OR

10 (IX) INCREASES IN ENERGY COSTS CAUSED BY AN INCREASE IN ENERGY RATES FROM THE RATES PAID BY THE  
11 DISTRICT IN FISCAL YEAR 2001 OR FROM INCREASED USE OF ENERGY AS A RESULT OF THE EXPANSION OF FACILITIES,  
12 EQUIPMENT, OR OTHER RESOURCES OF THE DISTRICT.

13 (B) IF THE DISTRICT'S ANB CALCULATED FOR THE CURRENT FISCAL YEAR IS LESS THAN THE ANB FOR THE  
14 CURRENT FISCAL YEAR WHEN AVERAGED WITH THE 4 PREVIOUS FISCAL YEARS, THE DISTRICT MAY USE MONEY FROM THE  
15 SCHOOL FLEXIBILITY FUND TO PHASE IN OVER A 5-YEAR PERIOD THE SPENDING REDUCTIONS NECESSARY BECAUSE OF THE  
16 REDUCTION IN ANB.

17 (2) THE TRUSTEES OF A DISTRICT SHALL FUND THE SCHOOL FLEXIBILITY FUND WITH THE MONEY ALLOCATED  
18 UNDER [SECTION 2] AND WITH THE MONEY RAISED BY THE LEVY UNDER [SECTION 4].

19 (3) THE FINANCIAL ADMINISTRATION OF THE SCHOOL FLEXIBILITY FUND MUST BE IN ACCORDANCE WITH THE  
20 FINANCIAL ADMINISTRATION PROVISIONS OF THIS TITLE FOR A BUDGETED FUND.

21  
22 NEW SECTION. SECTION 4. DISTRICT SCHOOL FLEXIBILITY FUND LEVY. (1) IN ADDITION TO THE MONEY  
23 ALLOCATED IN [SECTION 2] FOR A DISTRICT'S SCHOOL FLEXIBILITY FUND, THE TRUSTEES OF A SCHOOL DISTRICT MAY  
24 SUBMIT A PROPOSITION TO THE QUALIFIED ELECTORS OF THE DISTRICT TO APPROVE A LEVY IN AN AMOUNT NOT TO EXCEED  
25 25% OF THE DISTRICT'S ALLOCATION IN [SECTION 2] TO FUND THE SCHOOL FLEXIBILITY FUND AUTHORIZED UNDER  
26 [SECTION 3]. AN ELECTION CALLED PURSUANT TO THIS SECTION MUST BE CALLED AND CONDUCTED IN THE MANNER  
27 PRESCRIBED BY THIS TITLE FOR SCHOOL ELECTIONS. THE BALLOT FOR A PROPOSITION MUST PROVIDE "FOR" AND  
28 "AGAINST" PROVISIONS, STATING WHETHER THE DISTRICT IS AUTHORIZED TO IMPOSE A LEVY OF (STATE THE DOLLARS)  
29 DOLLARS AND (STATE THE APPROXIMATE NUMBER OF MILLS) MILLS TO FUND THE SCHOOL FLEXIBILITY FUND IN THE SCHOOL  
30 DISTRICT. THE SCHOOL FLEXIBILITY FUND PROPOSITION IS APPROVED IF A MAJORITY OF THOSE ELECTORS VOTING AT THE

1 ELECTION APPROVE THE LEVY.

2 (2) MONEY COLLECTED FROM THE LEVY MUST BE DEPOSITED IN THE DISTRICT'S SCHOOL FLEXIBILITY FUND AND  
3 SPENT IN ACCORDANCE WITH [SECTION 3].

4

5 **Section 5.** Section 20-1-301, MCA, is amended to read:

6 **"20-1-301. School fiscal year.** (1) The school fiscal year begins on July 1 and ends on June 30.  
7 At least 180 school days of pupil instruction and the minimum aggregate hours defined in subsection (2)  
8 must be conducted during each school fiscal year, except that 175 days and 1,050 aggregate hours of  
9 pupil instruction for graduating seniors may be sufficient, ~~as provided in 20-9-313,~~ or a minimum of 90  
10 days and 360 aggregate hours of pupil instruction must be conducted for a kindergarten program, as  
11 provided in 20-7-117.

12 (2) The minimum aggregate hours required by grade are:

13 (a) 720 hours for grades 1 through 3; and

14 (b) 1,080 hours for grades 4 through 12.

15 (3) To calculate the number of equivalent school days of pupil instruction when providing less than  
16 the minimum number of hours of instruction provided in subsections (1) and (2), a school district shall:

17 (a) determine the aggregate hours of pupil instruction by grade level;

18 (b) divide the aggregate hours of pupil instruction for each grade level by the minimum hours a  
19 day for that grade level provided in 20-1-302; and

20 (c) round the result down to the nearest whole number.

21 (4) For any elementary or high school district that fails to provide for at least 180 school days of  
22 pupil instruction and the minimum aggregate hours, as defined in ~~subsection~~ subsections (1) and (2), the  
23 superintendent of public instruction shall reduce the direct state aid for the district for that school year by  
24 1/90th for each school day less than 180 school days as calculated in subsection (3) or by 1/90th for each  
25 calendar day less than the minimum school days required by subsection (1), whichever is greater."

26

27 **Section 6.** Section 20-3-205, MCA, is amended to read:

28 **"20-3-205. Powers and duties.** The county superintendent has general supervision of the schools  
29 of the county within the limitations prescribed by this title and shall perform the following duties or acts:

30 (1) determine, establish, and reestablish trustee nominating districts in accordance with the

1 provisions of 20-3-352, 20-3-353, and 20-3-354;

2 (2) administer and file the oaths of members of the boards of trustees of the districts in the county  
3 in accordance with the provisions of 20-3-307;

4 (3) register the teacher or specialist certificates or emergency authorization of employment of any  
5 person employed in the county as a teacher, specialist, principal, or district superintendent in accordance  
6 with the provisions of 20-4-202;

7 (4) act on each tuition and transportation obligation submitted in accordance with the provisions  
8 of 20-5-323 and 20-5-324;

9 (5) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

10 (6) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

11 (7) keep a transcript and reconcile the district boundaries of the county in accordance with the  
12 provisions of 20-6-103;

13 (8) fulfill all responsibilities assigned under the provisions of this title regulating the organization,  
14 alteration, or abandonment of districts;

15 (9) act on any unification proposition and, if approved, establish additional trustee nominating  
16 districts in accordance with 20-6-312 and 20-6-313;

17 (10) estimate the average number belonging (ANB) of an opening school in accordance with the  
18 provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

19 (11) process and, when required, act on school isolation applications in accordance with the  
20 provisions of 20-9-302;

21 (12) complete the budgets, compute the budgeted revenue and tax levies, file final budgets and  
22 budget amendments, and fulfill other responsibilities assigned under the provisions of this title regulating  
23 school budgeting systems;

24 (13) submit an annual financial report to the superintendent of public instruction in accordance with  
25 the provisions of 20-9-211;

26 (14) monthly, unless otherwise provided by law, order the county treasurer to apportion state  
27 money, county school money, and any other school money subject to apportionment in accordance with  
28 the provisions of 20-9-212, ~~20-9-335~~, 20-9-347, 20-10-145, or 20-10-146;

29 (15) act on any request to transfer average number belonging (ANB) in accordance with the  
30 provisions of 20-9-313(3);

1 (16) calculate the estimated budgeted general fund sources of revenue in accordance with the  
2 general fund revenue provisions of the general fund part of this title;

3 (17) compute the revenue and, subject to 15-10-420, compute the district and county levy  
4 requirements for each fund included in each district's final budget and report the computations to the board  
5 of county commissioners in accordance with the provisions of the general fund, transportation, bonds, and  
6 other school funds parts of this title;

7 (18) file and forward bus driver certifications, transportation contracts, and state transportation  
8 reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145;

9 (19) for districts that do not employ a district superintendent or principal, recommend library book  
10 and textbook selections in accordance with the provisions of 20-7-204 or 20-7-602;

11 (20) notify the superintendent of public instruction of a textbook dealer's activities when required  
12 under the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title;

13 (21) act on district requests to allocate federal money for indigent children for school food services  
14 in accordance with the provisions of 20-10-205;

15 (22) perform any other duty prescribed from time to time by this title, any other act of the  
16 legislature, the policies of the board of public education, the policies of the board of regents relating to  
17 community college districts, or the rules of the superintendent of public instruction;

18 (23) administer the oath of office to trustees without the receipt of pay for administering the oath;

19 (24) keep a record of official acts, preserve all reports submitted to the superintendent under the  
20 provisions of this title, preserve all books and instructional equipment or supplies, keep all documents  
21 applicable to the administration of the office, and surrender all records, books, supplies, and equipment  
22 to the next superintendent;

23 (25) within 90 days after the close of the school fiscal year, publish an annual report in the county  
24 newspaper stating the following financial information for the school fiscal year just ended for each district  
25 of the county:

26 (a) the total of the cash balances of all funds maintained by the district at the beginning of the  
27 year;

28 (b) the total receipts that were realized in each fund maintained by the district;

29 (c) the total expenditures that were made from each fund maintained by the district; and

30 (d) the total of the cash balances of all funds maintained by the district at the end of the school

1 fiscal year; and

2 (26) hold meetings for the members of the trustees from time to time at which matters for the  
3 good of the districts must be discussed."

4

5 **Section 7.** Section 20-6-202, MCA, is amended to read:

6 **"20-6-202. Time limitation for boundary changes.** ~~No~~ An elementary district ~~shall~~ may not be  
7 created ~~nor shall any~~ and elementary district boundaries may not be changed between the first day of  
8 January and the ~~second~~ fourth Monday of August of any calendar year except when:

9 (1) the entire territory of a district is annexed or attached to another district;

10 (2) the entire territory of the portion of a joint district located in one county is annexed or attached  
11 to another district; or

12 (3) two or more districts are consolidated in their entirety."

13

14 **Section 8.** Section 20-6-314, MCA, is amended to read:

15 **"20-6-314. Time limitations for boundary changes.** A high school district may not be created and  
16 a high school district boundary may not be changed between the first day of January and the ~~second~~  
17 fourth Monday of August of any calendar year except when:

18 (1) the entire territory of a high school district is annexed or attached to another high school  
19 district;

20 (2) the entire territory or portion of a joint high school district located in one county is annexed  
21 or attached to another high school district; or

22 (3) two or more districts are consolidated in their entirety."

23

24 **Section 9.** Section 20-6-502, MCA, is amended to read:

25 **"20-6-502. Opening or reopening of elementary school.** The trustees of any elementary district  
26 may open or reopen an elementary school of the district when ~~such~~ the opening or reopening has been  
27 approved in accordance with the following procedure:

28 (1) The parents of at least three pupils who would attend the opened or reopened school petition  
29 the trustees of the district to open or reopen a school during the ensuing school fiscal year. ~~Such~~ The  
30 petition ~~shall~~ must identify the school, state the reasons for requesting the opening or reopening, and give



1 the names of the children who would attend ~~such~~ the school.

2 (2) If the trustees approve the opening or reopening of a school, they shall send the petition with  
3 a copy of their approval resolution to the county superintendent. The county superintendent shall review  
4 the petition to determine if the average number belonging (ANB) of ~~such~~ the school would be five or more.

5 (3) The county superintendent shall present the petition, the trustees' approval, and ~~his~~ the county  
6 superintendent's findings on the probable ANB to the board of county commissioners (budget board) for  
7 their consideration. The budget board shall deny the opening or reopening of any school if the county  
8 superintendent's enrollment estimate for ~~such~~ the school is less than five ANB. In all other cases, the  
9 budget board may approve or disapprove the requested opening or reopening of the elementary school.

10 (4) If the budget board approves a school opening or reopening, the county superintendent shall  
11 send a copy of ~~such~~ the approval, along with the petition, the trustees' approval, and ~~his~~ the county  
12 superintendent's estimate of the probable ANB, to the superintendent of public instruction. The trustees  
13 shall apply to the superintendent of public instruction for approval to open or reopen the school by June  
14 1 prior to the beginning of the school year in which they intend to open or reopen the elementary school.

15 The superintendent of public instruction shall approve or disapprove the requested opening or reopening  
16 of the elementary school by the fourth Monday of June. If the opening or reopening is approved, the  
17 superintendent of public instruction shall approve or adjust the ANB estimate of the county superintendent  
18 for ~~such~~ the school and ~~such~~ the ANB amount ~~shall~~ must be used for budgeting and BASE funding program  
19 purposes during the ensuing school fiscal year. ~~No~~ An ANB amount ~~shall~~ may not be approved for the  
20 ensuing school fiscal year for an opening or reopening school when the request for ~~such~~ the school has  
21 not been received by the superintendent of public instruction ~~before the fourth Monday of~~ by June 1."

22

23 **Section 10.** Section 20-7-504, MCA, is amended to read:

24 **"20-7-504. State traffic education account -- proceeds earmarked for account -- transmittal. (1)**

25 There is a traffic education account in the treasury of the state of Montana.

26 (2) When a ~~court~~ county is required to transmit fees directly to the state treasurer, the gross  
27 proceeds, including the portion of the fees to be credited to the traffic education account, must be  
28 transmitted to the state treasurer and the appropriate portion must be deposited in the traffic education  
29 account."

30

1           **Section 11.** Section 20-9-104, MCA, is amended to read:

2           **"20-9-104. General fund operating reserve.** (1) At the end of each school fiscal year, the trustees  
3 of each district shall designate the portion of the general fund end-of-the-year fund balance that is to be  
4 earmarked as operating reserve for the purpose of paying general fund warrants issued by the district from  
5 July 1 to November 30 of the ensuing school fiscal year. Except as provided in subsections (5) and (6),  
6 the amount of the general fund balance that is earmarked as operating reserve may not exceed 10% of  
7 the final general fund budget for the ensuing school fiscal year.

8           (2) The amount held as operating reserve may not be used for property tax reduction in the  
9 manner permitted by 20-9-141(1)(b) for other receipts.

10          (3) Excess reserves as provided in subsection (5) may be appropriated to reduce the BASE budget  
11 levy, the over-BASE budget levy, or the additional levy provided by 20-9-353.

12          (4) Any portion of the general fund end-of-the-year fund balance that is not reserved under  
13 subsection (2) or reappropriated under subsection (3) is fund balance reappropriated and must be used for  
14 property tax reduction as provided in 20-9-141(1)(b).

15          (5) The limitation of subsection (1) does not apply when the amount in excess of the limitation  
16 is equal to or less than the unused balance of any amount:

17          (a) ~~(i)~~ received in settlement of tax payments protested in a prior school fiscal year;

18          ~~(ii)(b)~~ received in taxes from a prior school fiscal year as a result of a tax audit by the department  
19 of revenue or its agents; or

20          ~~(iii)(c)~~ received in delinquent taxes from a prior school fiscal year; ~~or~~

21          ~~—— (b) a district was entitled to as a general bonus payment prior to July 1, 1994.~~

22          (6) The limitation of subsection (1) does not apply when the amount earmarked as operating  
23 reserve is \$10,000 or less."

24  
25          ~~—— **Section 8.** Section 20-9-115, MCA, is amended to read:~~

26          ~~—— **"20-9-115. Notice of final budget meeting.** Between July 24 and August 4 of each year Not more  
27 than 20 days and not less than 10 days prior to the final budget meeting, the clerk of each district shall  
28 publish one notice, in the local or county newspaper that the trustees of the district determine to be the  
29 newspaper with the widest circulation in the district, stating the date, time, and place that the trustees  
30 will meet on or before the second Monday in August for the purpose of considering and adopting the final~~

~~budget of the district, that the meeting of the trustees may be continued from day to day until the final adoption of the district's budget, and that any taxpayer in the district may appear at the meeting and be heard for or against any part of the budget."~~

**Section 12.** Section 20-9-130, MCA, is amended to read:

**"20-9-130. District obligation for students in youth detention facility.** A school district is responsible for providing funding for the education of students of the district who are detained in a youth detention facility. The school district's obligation must be funded from the district's ~~general~~ tuition fund."

~~**Section 10.** Section 20-9-131, MCA, is amended to read:~~

~~**"20-9-131. Final budget meeting.** (1) On or before the second Monday in August, on the date and at the time and place noticed for which a notice is published in the notice pursuant to 20-9-115, the trustees of each district shall meet to consider all budget information and any attachments required by law.~~

~~(2) The trustees may continue the meeting from day to day but shall adopt the final budget for the district and, subject to 15-10-420, determine the amounts to be raised by tax levies for the district. The trustees shall deliver the adopted budget, including the amounts to be raised by tax levies, to the county superintendent of schools not later than the fourth 5 days after the second Monday in August and before the fixing of the tax levies for each district. Any taxpayer in the district may attend any portion of the trustees' meeting and be heard on the budget of the district or on any item or amount contained in the budget."~~

**Section 13.** Section 20-9-163, MCA, is amended to read:

**"20-9-163. Resolution for budget amendment -- petition to superintendent of public instruction.**

(1) Whenever the trustees of a district decide that a budget amendment is necessary because of an enrollment increase, they may petition the superintendent of public instruction to adopt a resolution for the budget amendment. The petition must be signed by a majority of the trustees.

(2) The petition must state the facts constituting the need for the budget amendment, the estimated amount of money required to fund the budget amendment, the funds affected by the budget amendment, the anticipated source of financing for the budget amendment, and the current year enrollment.

(3) The superintendent of public instruction shall promptly approve or disapprove the petition requesting approval to adopt a resolution for a budget amendment because of increased enrollment. ~~If the petition is for a budget amendment for an enrollment increase as provided in 20-9-161(1), the~~ The superintendent of public instruction shall adjust the district's maximum general fund budget based on the approved enrollment increase. Upon approval, a district may not adopt a budget amendment if the amount will cause the district to exceed the district's adjusted maximum general fund budget. If the petition is approved, the trustees may adopt a resolution for a budget amendment and take all other steps required for the adoption of a budget amendment. Approval of a petition by the superintendent of public instruction authorizes the board of trustees to initiate a budget amendment by resolution and does not relieve the trustees of the necessity of complying with the requirements of the school budgeting laws. Approval of the petition may not be construed as approval of any subsequent application for increased state aid on account of the budget amendment."

**Section 14.** Section 20-9-168, MCA, is amended to read:

**"20-9-168. Emergency budget amendment tax levy.** When a budget amendment has been adopted by the board of trustees under 20-9-161(2) and a district does not have sufficient funds, including insurance proceeds and reserves, to finance the budget amendment, the district may, ~~subject to~~ ~~15-10-420,~~ levy a tax in the ensuing school year to fund the expenditures authorized by the budget amendment. The amount levied may not exceed the unfunded amount of the budget amendment."

**SECTION 15. SECTION 20-9-308, MCA, IS AMENDED TO READ:**

**"20-9-308. BASE budgets and maximum general fund budgets ~~--definitions~~.** (1) The trustees of a district shall adopt a general fund budget that is at least equal to the BASE budget established for the district and, except as provided in subsection (3) ~~of this section~~, does not exceed the maximum general fund budget established for the district.

(2) (a) Whenever the trustees of a district adopt a general fund budget that exceeds the BASE budget for the district but does not exceed the maximum general fund budget for the district, the trustees shall submit a proposition to the electors of the district, as provided in 20-9-353.

(b) A general fund budget adopted under this subsection (2) may not exceed the greater of:

(i) 104% of the previous year's general fund budget; or

(ii) 104% of the previous year's general fund budget per-ANB multiplied by the current year's ANB for budgeting purposes.

(3) (a) (i) Except as provided in ~~subsections~~ subsection (3)(a)(ii), the trustees of a school district whose previous year's general fund budget exceeds the current year's maximum general fund budget amount may adopt a general fund budget up to the maximum general fund budget amount or ~~up to 94%~~ of the previous year's general fund budget, whichever is greater. A school district may adopt a budget under the criteria of this subsection (3)(a)(i) for a maximum of 5 consecutive years, BUT THE TRUSTEES SHALL ADOPT A PLAN TO REACH THE MAXIMUM GENERAL FUND BUDGET BY NO LATER THAN THE END OF THE 5-YEAR PERIOD. A school district whose adopted general fund budget for the previous year exceeds the maximum general fund budget for the current year and whose ANB for the previous year exceeds the ANB for the current year by 30% or more shall reduce its adopted budget by:

(A) in the first year, 20% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

(B) in the second year, 25% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

(C) in the third year, 33.3% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

(D) in the fourth year, 50% of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year;

and

(E) in the fifth year, the remainder of the range between the district's adopted general fund budget for the previous school fiscal year and the maximum general fund budget for the current school fiscal year.

(ii) The trustees of a district whose general fund budget was above the maximum general fund budget established by Chapter 38, Special Laws of November 1993, and whose general fund budget has continued to exceed the district's maximum general fund budget in each school fiscal year after school fiscal year 1993 may continue to adopt a general fund budget that exceeds the maximum general fund budget. However, the budget adopted for the current year may not exceed the lesser of:

(A) the adopted budget for the previous year; or

(B) the district's maximum general fund budget for the current year plus the over maximum budget amount adopted for the previous year.

(b) The trustees of the district shall submit a proposition to raise any general fund budget amount that is in excess of the maximum general fund budget for the district to the electors who are qualified under 20-20-301 to vote on the proposition, as provided in 20-9-353.

~~By February 1 of each year, the superintendent of public instruction shall compute:~~

~~(i) the statewide weighted average of maximum general fund budgets per ANB for elementary programs for the previous year; and~~

~~(ii) the statewide weighted average of maximum general fund budgets per ANB for high school programs for the previous year.~~

~~By March 1 of each school year, the superintendent of public instruction shall notify each school district of the amounts calculated in subsection (3)(c):~~

~~The trustees of any district that has a maximum general fund budget per ANB for its elementary or high school program that is less than the statewide weighted average calculated in subsection (3)(c) may, subject to voter approval under subsection (3)(b), adopt a general fund budget for the district equal to the sum of:~~

~~(i) the ANB of the elementary program for the current year multiplied by the statewide weighted average for the elementary program; and~~

~~(ii) the ANB of the high school program for the current year multiplied by the statewide weighted average for the high school program.~~

(4) The BASE budget for the district must be financed by the following sources of revenue:

(a) state equalization aid as provided in 20-9-343, including any guaranteed tax base aid for which the district may be eligible, as provided in 20-9-366 through 20-9-369;

(b) county equalization aid, as provided in 20-9-331 and 20-9-333;

(c) a district levy for support of a school not approved as an isolated school under the provisions of 20-9-302;

(d) payments in support of special education programs under the provisions of 20-9-321;

(e) nonlevy revenue as provided in 20-9-141; and

(f) a BASE budget levy on the taxable value of all property within the district.

(5) The over-BASE budget amount of a district must be financed by a levy on the taxable value of all property within the district or other revenue available to the district as provided in 20-9-141.

~~(6) As used in this section:~~

~~1 (a) "statewide weighted average of maximum general fund budgets per ANB for high school~~  
~~2 programs" means the sum of the maximum general fund programs for high school programs divided by~~  
~~3 the total ANB for high school programs; or~~

~~4 (b) "statewide weighted average of maximum general fund budgets per ANB for elementary school~~  
~~5 programs" means the sum of the maximum general fund programs for elementary school programs divided~~  
~~6 by the total ANB for elementary school programs."~~

7  
8 **Section 16.** Section 20-9-314, MCA, is amended to read:

9 **"20-9-314. Procedures for determining eligibility and amount of increased average number**  
10 **belonging due to unusual enrollment increase.** A district that anticipates an unusual increase in enrollment  
11 in the ensuing school fiscal year, as provided for in 20-9-313(4), may increase its basic entitlement and  
12 total per-ANB entitlement for the ensuing school fiscal year in accordance with the following provisions:

13 (1) Prior to ~~May 10~~ June 1, the district shall estimate the elementary or high school enrollment  
14 to be realized during the ensuing school fiscal year, based on as much factual information as may be  
15 available to the district.

16 (2) No later than ~~May 10~~ June 1, the district shall submit its application for an unusual enrollment  
17 increase by elementary or high school level to the superintendent of public instruction. The application  
18 must include:

19 (a) the enrollment for the current school fiscal year;

20 (b) the average number belonging used to calculate the basic entitlement and total per-ANB  
21 entitlement for the current school fiscal year;

22 (c) the average number belonging that will be used to calculate the basic entitlement and total  
23 per-ANB entitlement for the ensuing school fiscal year;

24 (d) the estimated enrollment, including the factual information on which the estimate is based, as  
25 provided in subsection (1); and

26 (e) any other information or data that may be requested by the superintendent of public  
27 instruction.

28 (3) The superintendent of public instruction shall immediately review all the factors of the  
29 application and shall approve or disapprove the application or adjust the estimated average number  
30 belonging for the ensuing ANB calculation period. After approving an estimate, with or without adjustment,

1 the superintendent of public instruction shall:

2 (a) determine the percentage increase ~~that~~ by which the estimated enrollment increase ~~is over~~  
3 exceeds the current enrollment; and

4 (b) approve an increase of the average number belonging used to establish the ensuing year's  
5 basic entitlement and total per-ANB entitlement in accordance with subsection (5) if the increase in  
6 subsection (3)(a) is at least 6%.

7 (4) The superintendent of public instruction shall notify the district of the decision by the fourth  
8 Monday in June.

9 (5) Whenever an unusual enrollment increase is approved by the superintendent of public  
10 instruction, the increase of the average number belonging used to establish the basic entitlement and total  
11 per-ANB entitlement for the ensuing ANB calculation period is the difference between the enrollment for  
12 the ensuing school fiscal year and 106% of the current enrollment. The amount determined is the  
13 maximum allowable increase added to the average number belonging for the purpose of establishing the  
14 ensuing year's basic entitlement and total per-ANB entitlement.

15 (6) Any entitlement increases resulting from provisions of this section must be reviewed at the  
16 end of the ensuing school fiscal year. If the actual enrollment is less than the average number belonging  
17 used for BASE funding program and entitlement calculations, the superintendent of public instruction shall  
18 revise the total per-ANB entitlement and basic entitlement calculations using the actual average number  
19 belonging. All total per-ANB entitlements received by the district in excess of the revised entitlements are  
20 overpayments subject to the refund provisions of 20-9-344(4)."

21

22 **Section 17.** Section 20-9-343, MCA, is amended to read:

23 **"20-9-343. Definition of and revenue for state equalization aid.** (1) As used in this title, the term  
24 "state equalization aid" means revenue as required in this section for:

25 (a) distribution to the public schools for ~~the purposes of payment of systems development and~~  
26 ~~other related costs resulting from the enactment of legislation that requires changes to the automated~~  
27 ~~system used to administer the BASE funding program,~~ guaranteed tax base aid, BASE aid, state  
28 reimbursement for school facilities, ~~matching funds for the systemic initiative for Montana mathematics~~  
29 ~~and science grant,~~ and grants for school technology purchases; and

30 (b) negotiated payments authorized under 20-7-420(3) up to \$500,000 per biennium; ~~and~~



1 ~~—— (c) the Montana educational telecommunications network as provided in 20-32-101.~~

2 (2) The superintendent of public instruction may spend throughout the biennium funds  
3 appropriated for the purposes of ~~systems development and other related costs resulting from the~~  
4 ~~enactment of legislation that requires changes to the automated system used to administer the BASE~~  
5 ~~funding program~~, guaranteed tax base aid, BASE aid for the BASE funding program, state reimbursement  
6 for school facilities, negotiated payments authorized under 20-7-420(3), ~~the Montana educational~~  
7 ~~telecommunications network~~, and school technology purchases.

8 (3) The following must be paid into the state general fund for the public schools of the state:

9 (a) (i) subject to subsection (3)(a)(ii), interest and income money described in 20-9-341 and  
10 20-9-342; and

11 (ii) an amount of money equal to the income money attributable to the difference between the  
12 average sale value of 18 million board feet and the total income produced from the annual timber harvest  
13 on common school trust lands during the fiscal year to be appropriated for purposes of 20-9-533;

14 (b) investment income earned by investing interest and income money described in 20-9-341 and  
15 20-9-342."

16

17 **SECTION 18. SECTION 20-9-502, MCA, IS AMENDED TO READ:**

18 **"20-9-502. Purpose and authorization of a building reserve fund by an election -- levy for school**  
19 **transition costs.** (1) The trustees of any district, with the approval of the qualified electors of the district,  
20 may establish a building reserve for the purpose of raising money for the future construction, equipping,  
21 or enlarging of school buildings, ~~or~~ for the purpose of purchasing land needed for school purposes in the  
22 district, or for the purpose of funding school transition costs as provided in subsection (5). In order to  
23 submit to the qualified electors of the district a building reserve proposition for the establishment of or  
24 addition to a building reserve, the trustees shall pass a resolution that specifies:

25 (a) the purpose or purposes for which the new or addition to the building reserve will be used;

26 (b) the duration of time over which the new or addition to the building reserve will be raised in  
27 annual, equal installments;

28 (c) the total amount of money that will be raised during the duration of time specified in  
29 subsection (1)(b); and

30 (d) any other requirements under 20-20-201 for the calling of an election.

(2) The total amount of building reserve, less the amount provided for in subsection (5), when added to the outstanding indebtedness of the district may not be more than the limitations provided in 20-9-406. ~~A~~ Except as provided in subsection (5)(b), a building reserve tax authorization may not be for more than 20 years.

(3) The election must be conducted in accordance with the school election laws of this title, and the electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a building reserve proposition must be substantially in the following form:

OFFICIAL BALLOT

SCHOOL DISTRICT BUILDING RESERVE ELECTION

INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "BUILDING RESERVE--YES" if you wish to vote for the establishment of a building reserve (addition to the building reserve); if you are opposed to the establishment of a building reserve (addition to the building reserve) make an X or similar mark in the square before the words "BUILDING RESERVE--NO".

Shall the trustees be authorized to impose an additional levy each year for .... years to establish a building reserve (add to the building reserve) of this school district to raise a total amount of .... dollars (\$....), for the purpose(s) .... (here state the purpose or purposes for which the building reserve will be used)?

☐ BUILDING RESERVE--YES.

☐ BUILDING RESERVE--NO.

(4) The building reserve proposition is approved if a majority of those electors voting at the election approve the establishment of or addition to the building reserve. The annual budgeting and taxation authority of the trustees for a building reserve is computed by dividing the total authorized amount by the specified number of years. The authority of the trustees to budget and impose the taxation for the annual amount to be raised for the building reserve lapses when, at a later time, a bond issue is approved by the qualified electors of the district for the same purpose or purposes for which the building reserve fund of the district was established. Whenever a subsequent bond issue is made for the same purpose or purposes of a building reserve, the money in the building reserve must be used for such purpose or purposes before any money realized by the bond issue is used.

(5) (a) The trustees may submit a proposition to the qualified electors of the district for a levy to provide funding for transition costs incurred when the trustees:

1 (i) open a new school under the provisions of Title 20, chapter 6;

2 (ii) close a school;

3 (iii) replace a school building; or

4 (iv) consolidate with or annex another district under the provisions of Title 20, chapter 6.

5 (b) Except as provided in subsection (5)(c), the total amount the trustees may submit to the  
6 electorate for transition costs may not exceed the number of years specified in the proposition times the  
7 greater of 5% of the district's maximum general fund budget for the current year or \$250 per ANB for the  
8 current year. The duration of the levy for transition costs may not exceed 6 years.

9 (c) If the levy for transition costs is for consolidation or annexation:

10 (i) the limitation on the amount levied is calculated using the ANB and the maximum general fund  
11 budget for the districts that are being combined; and

12 (ii) the proposition must be submitted to the qualified electors in the combined district.

13 (d) The levy for transition costs may not be considered as outstanding indebtedness for the  
14 purpose of calculating the limitation in 20-9-406."

15  
16 **Section 19.** Section 20-10-111, MCA, is amended to read:

17 **"20-10-111. Duties of board of public education.** (1) The board of public education, with the  
18 advice of the Montana department of justice and the superintendent of public instruction, shall adopt and  
19 enforce policies, not inconsistent with the motor vehicle laws, to provide uniform standards and regulations  
20 for the design, construction, and operation of school buses in the state of Montana. The policies must:

21 (a) prescribe minimum standards for the design ~~and~~ construction, and operation of school buses  
22 ~~not inconsistent~~ consistent with:

23 (i) ~~minimum standards~~ the recommendations adopted by the national conference on school  
24 transportation; ~~or~~ and

25 (ii) ~~minimum standards adopted by the national highway traffic safety administration~~ the federal  
26 motor vehicle safety standards;

27 (b) prescribe standards and specifications for the lighting equipment and special warning devices  
28 to be carried by school buses in conformity with:

29 (i) current specifications approved by the society of automobile engineers;

30 (ii) motor vehicle laws; and

(iii) the requirement that all school buses have an alternately flashing prewarning lighting system of four amber signal lamps to be used while preparing to stop and an alternately flashing warning lighting system of four red signal lamps to be used while stopped in accordance with 61-9-402;

(c) establish other driver qualifications considered necessary in addition to the qualifications required in 20-10-103;

(d) prescribe criteria for the establishment of transportation service areas for school bus purposes by the county transportation committee that shall allow for the establishment of service areas without regard to the district boundary lines within the county;

(e) prescribe other criteria for the determination of the residence of a pupil that may be considered necessary in addition to the criteria established in 20-10-105; and

~~(f) prescribe other policies for the operation of school buses that are not inconsistent with:~~

~~—— (i) motor vehicle laws;~~

~~—— (ii) minimum standards adopted for school bus operation by the national conference on school transportation;~~

~~—— (iii) highway safety standards; and~~

~~—— (iv) the transportation provisions of this title;~~

~~(g) prescribe standards for the measurement of the child seating capacity of school buses, to be known as the rated capacity.~~

(2) The board of public education shall prescribe other ~~policy~~ policies necessary for the proper administration and operation of individual transportation programs that are ~~not inconsistent~~ consistent with the transportation provisions of this title."

**Section 20.** Section 20-10-201, MCA, is amended to read:

**"20-10-201. Acceptance, expenditure, and administration of federal school food services ~~moneys~~ money.** (1) The superintendent of public instruction is authorized to accept and direct the disbursement of funds appropriated by act of congress and apportioned to the state for use in financing school food services. This authorization ~~shall apply~~ applies to federal funds available for school food services under the National School Lunch Act (Public Law 396, 79th congress, chapter 281, 2nd session), Child Nutrition Act of 1966 (Public Law 642, 89th Congress), any amendments to these public laws, and any other public laws enacted to provide assistance for school food services.

(2) The superintendent of public instruction shall deposit all federal funds for school food services with the state treasurer who shall credit ~~such the~~ funds to the ~~agency~~ federal special revenue fund. Any disbursement of the federal school food services funds ~~shall~~ must be directed by the superintendent of public instruction.

(3) The superintendent of public instruction may:

(a) enter into agreements and cooperate with any federal agency, district, or other agency or person, prescribe ~~such~~ regulations, employ ~~such~~ personnel, and take ~~such any~~ other action ~~as he~~ that the superintendent of public instruction may ~~deem~~ consider necessary to:

(i) provide for the establishment, operation, and expansion of school food services; and

(ii) disburse federal and state funds according to the requirements of federal and state law;

(b) give technical advice and assistance to any district establishing or operating school food services and assist in the training of personnel for ~~such the~~ services;

(c) accept any gift for use in providing school food services;

(d) conduct studies of methods of improving and expanding school food services and appraise the nutritive benefits of school food services.

(4) The superintendent of public instruction shall report annually to the board of public education on the financial, administrative, and operational phases of school food services."

**NEW SECTION. SECTION 21. COORDINATION INSTRUCTION.** IF HOUSE BILL NO. 358 AND [THIS ACT] ARE BOTH PASSED AND APPROVED, THEN [SECTION 5 9 OF THIS ACT], AMENDING 20-6-502, IS VOID AND [SECTION 1] OF HOUSE BILL NO. 284 MUST READ AS FOLLOWS:

**"Section 1.** Section 20-6-502, MCA, is amended to read:

**"20-6-502. Opening or reopening of elementary school.** The trustees of any elementary district may open or reopen an elementary school of the district when ~~such the~~ opening or reopening has been approved in accordance with the following procedure:

(1) The parents of at least ~~three~~ two pupils who would attend the opened or reopened school petition the trustees of the district to open or reopen a school ~~during the ensuing school fiscal year.~~ Such The petition ~~shall~~ must identify the school, state the reasons for requesting the opening or reopening, and give the names of the children who would attend ~~such the~~ school.

(2) If the trustees approve the opening or reopening of a school, they shall send the petition with

1 a copy of their approval resolution to the county superintendent. The county superintendent shall review  
2 the petition to determine if the average number belonging (ANB) of ~~such the~~ school would be ~~five two~~ or  
3 more. If the trustees plan to open or reopen the school during the current school fiscal year, the trustees  
4 shall include the proposed opening date in the approval resolution and shall request that the process  
5 outlined in this section be expedited.

6 (3) The county superintendent shall present the petition, the trustees' approval, and ~~his the county~~  
7 ~~superintendent's~~ findings on the probable ANB to the board of county commissioners (~~budget board~~) for  
8 their consideration. The ~~budget~~ board shall deny the opening or reopening of any school if the county  
9 superintendent's enrollment estimate for ~~such the~~ school is less than ~~five two~~ ANB. In all other cases, the  
10 ~~budget~~ board may approve or disapprove the requested opening or reopening of the elementary school.

11 (4) (a) If the ~~budget~~ board approves a school opening or reopening, the county superintendent shall  
12 send a copy of ~~such the~~ approval, along with the petition, the trustees' approval, and ~~his the county~~  
13 ~~superintendent's~~ estimate of the probable ANB, to the superintendent of public instruction. Except under  
14 the circumstances described in subsection (4)(b), the trustees shall apply to the superintendent of public  
15 instruction for approval to open or reopen the school by June 1 prior to the beginning of the school year  
16 in which they intend to open or reopen the elementary school. The superintendent of public instruction  
17 shall approve or disapprove the requested opening or reopening of the elementary school by the fourth  
18 Monday of June. If the opening or reopening is approved, the superintendent of public instruction shall  
19 approve or adjust the ANB estimate of the county superintendent for ~~such the~~ school and ~~such the~~ ANB  
20 amount ~~shall must~~ be used for budgeting and BASE funding program purposes during the ensuing school  
21 fiscal year. ~~No An~~ ANB amount ~~shall may not~~ be approved for the ensuing school fiscal year for an opening  
22 or reopening school when the request for ~~such the~~ school has not been received by the superintendent of  
23 public instruction ~~before the fourth Monday of~~ by June 1.

24 (b) (i) If the opening or reopening is approved and the trustees want to open or reopen the school  
25 during the current school fiscal year, the trustees shall submit a budget request to the superintendent of  
26 public instruction for that portion of the fiscal year in which the school will be in operation prior to the  
27 ensuing school fiscal year. The superintendent of public instruction shall approve or adjust the budget  
28 request and shall fund the budget for the portion of the school year in which the school will be in  
29 operation.

30 (ii) Before a school may open or reopen during the current school fiscal year, the school must be

1 classified as an isolated school in accordance with the provisions of 20-9-302, except that the dates in  
2 that section for the submission and approval of the application for classification do not apply and the  
3 application must be made at the same time that the application for opening or reopening the school is  
4 made."

5  
6 **NEW SECTION. SECTION 22. EXTENSION OF 2001 DEADLINES RELATING TO SCHOOL ELECTIONS.** IN ORDER  
7 TO ALLOW FOR THE ORDERLY AND EFFICIENT CONDUCT OF THE REGULAR SCHOOL ELECTIONS SCHEDULED FOR MAY 8,  
8 2001, IT MAY NOT BE POSSIBLE TO COMPLY WITH CERTAIN STATUTORY DEADLINES RELATING TO A SCHOOL ELECTION.  
9 THEREFORE, FOR THE REGULAR SCHOOL ELECTION SCHEDULED FOR MAY 8, 2001, ALL STATUTORY DEADLINES FALLING  
10 ON OR BEFORE APRIL 13 ARE EXTENDED TO APRIL 20, 2001, EXCEPT THAT THE DEADLINE FOR MAKING THE ABSENTEE  
11 BALLOTS AVAILABLE IS EXTENDED TO APRIL 25, 2001, AND THE TIMELINE FOR POSTING THE ELECTION NOTICE IS CHANGED  
12 TO APRIL 20, 2001, THROUGH APRIL 30, 2001.

13  
14 **NEW SECTION. Section 23. Effective date DATES.** [This (1) EXCEPT AS PROVIDED IN SUBSECTION (2),  
15 [THIS act] is effective July 1, 2001, AND APPLIES TO SCHOOL BUDGETS FOR THE SCHOOL FISCAL YEARS BEGINNING  
16 ON OR AFTER JULY 1, 2001.

17 (2) [SECTIONS 22 AND 24 AND THIS SECTION] ARE EFFECTIVE ON PASSAGE AND APPROVAL.

18  
19 **NEW SECTION. SECTION 24. RETROACTIVE APPLICABILITY.** [SECTION 22] APPLIES RETROACTIVELY, WITHIN  
20 THE MEANING OF 1-2-109, TO ACTIONS TAKEN BY THE TRUSTEES OF A SCHOOL DISTRICT ON OR AFTER MARCH 29,  
21 2001.

22 - END -